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French Kosher Report

Report Categories:

Kosher Foods

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Report Highlights:

The French kosher market is currently estimated at about \$550 million. France is an international trading center for kosher products. Both imported and domestic products are distributed not only in specialized retail and kosher stores, but also in kosher sections of the largest supermarkets. The annual growth of this sector is estimated at 16% continuing a ten-year growth trend. The best prospects for U.S. kosher food products are gourmet-style products including wines, sauces, condiments, snacks, soups, cookies, confectionery, ready-to-eat meals and Passover products.

General Information:

SECTION I. SUMMARY

Less than 30 years ago, France's kosher food market was considered an ethnic market niche. However, today, France is a major market and international trading center for kosher products, currently estimated at \$549 million. The French market has been growing by an average of 16 percent per year since the late 1990s. Kosher foods in France are consumed by a wide range of consumers who consider kosher products to be healthy, high quality, natural, and good tasting.

More than 80 percent of France's Jewish population is of Sephardic origin, which is slightly more influenced by Mediterranean-style food. However nowadays, kosher consumers are more likely looking for conventional food than

for ethnic food products. The food service industry is very dynamic. More than 300 kosher restaurants, bakeries, and other eating establishments have opened in Paris alone in the last fifteen years. Imported and domestic kosher products are distributed not only by specialized retailers and kosher shops, but can also be found in special kosher sections of major supermarkets throughout France. The best prospects for U.S. kosher food products in France are gourmet-style products including wines, sauces, condiments, snacks, soups, cookies, confectionery, ready-to-eat meals and Passover products.

Advantages	Challenges
U.S. suppliers are seen as reliable with high quality, innovative kosher products.	Increasing competition in dairy, meat, grocery products including confectionery and wine, especially from Israel and Europe.
A large variety of U.S. kosher food ingredients.	Educating French and European consumers about the added reliability, traceability and safety of kosher products.
Kosher certification is used as a marketing tool in France and the major U.S. kosher certifications are well known in the market.	U.S. manufacturers need to tailor their products to meet French consumer tastes and preferences.
Best prospects are for kosher products that are not domestically produced or unavailable in sufficient quantities.	Growing demand for kosher food has encouraged many French food manufacturers to obtain kosher certification and resulted in increased competition for imports.
In addition to the Jewish community, many French consumers who are lactose-intolerant and/or vegetarian look for kosher pareve food products.	Many consumers of kosher products prefer locally or regionally produced foods to imports, which are often more expensive.

SECTION II. KOSHER CERTIFICATION ACCEPTANCE/PREFERENCE

To be recognized as kosher, products must be certified by an organization with a rabbinical affiliation. In France, there are several certification agencies handling kosher supervision and certification. The major organizations include:

- Beth Din de Paris (under the supervision of the Grand Rabbi of Paris, Rabbi David Messas), certifies over 60 percent of French kosher food establishments
- Rabbinat Loubavitch de France (Rabbi Hillel Pawner)
- Rabbinat de Marseille
- Beth Din de Lyon
- Beth Din de Strasbourg (Rabbi Mordechai Seckbach)
- Rabbinat de Moselle (Rabbi Bamberger)

Each organization has its own logo. Some rabbis who do not belong to any of the organizations noted above certify kosher products under their own names (e.g; Rav Katz, Rav Heyman, Rav Frankforter, Rav Berlinow or Rav

Rottenberg).

In France and other European countries, there is no equivalent organization to U.S. kosher certifiers such as the OU, OK, Star K or Kof-K. Although, the Consistoire de France worked on a new certification, ECK.f (European Central Kashrus France) to become a standard throughout Europe, this initiative failed. Given the great number of agencies and rabbis now certifying kosher products, it will be a challenge to develop consumer awareness and recognition in Europe for any single kosher certification.

SECTION III. CONSUMPTION AND MARKET SECTORS

A. Consumption

France's Jewish community is comprised of two main groups: the Sephardics from Mediterranean basin countries mainly from North Africa, and the Ashkenazics from Northern and Eastern European countries. Among the Jewish community, the religious calendar drives kosher food consumption in France. Consumption increases during religious holidays, especially Passover, but also Shavuot, Rosh Hashanah, Yom Kippur, and Sukkoth. In addition, personal and family celebrations (birthdays, births, weddings, bar/bat mitzvahs, etc) and professional events contribute to increased household and institutional consumption of kosher foods. However, in the mainstream market, kosher product consumption is generally stable and not subject to seasonal influences.

The mainstream market accounts for about 60 percent of kosher food consumption. In addition to Jewish consumers, the kosher market also includes:

- Muslims and other ethnic or religious groups, especially due to the lack of confidence in France in the halal certification process, especially for meat and meat products.
- Vegetarians and lactose intolerant, who purchase a significant amount of kosher pareve products because pareve foods contain neither meat nor dairy ingredients

Mainstream consumers select kosher products for different reasons; taste, cultural traditions, a reputation for high quality, and/or a perception of sanitary and quality assurance provided by the kosher certification. The kosher certification does not convey the same image in France and in the United States: If in the U.S. the term kosher is synonymous with most consumers to more controlled and healthier products, this is not the case in France, where the kosher products are simply considered products that fulfill the Jewish alimentary requirements. That is why kosher products in France, despite strong growth, are primarily directed to Jewish consumers. French Food manufacturers do not automatically seek, as in the United States, to certify their products as kosher. However, awareness among manufacturers is growing that kosher certification can be helpful in marketing to a wider population.

French consumer preferences for kosher products are mainly for:

- Grocery products
- Beverages
- Dairy products

- Fish
- Frozen foods
- Fresh catering products

Leading criteria for consumer choice of kosher products:

- The certification logo
- The list of ingredients
- The taste of the product
- Attractive packaging

B. Market Sectors

1. Retail Foods

A. Entry Strategy

Wholesalers are key to the kosher sector in France. They buy directly in large quantities from producers and manufacturers and then resell to a wide variety of distributors, supermarket chains, other retail stores, specialty stores and small outlets in neighborhoods with large Jewish populations. The limited number of wholesalers in the kosher food sector has effectively made them market gatekeepers. As a result, most distributors must work with them to be able to offer a full array of certified products.

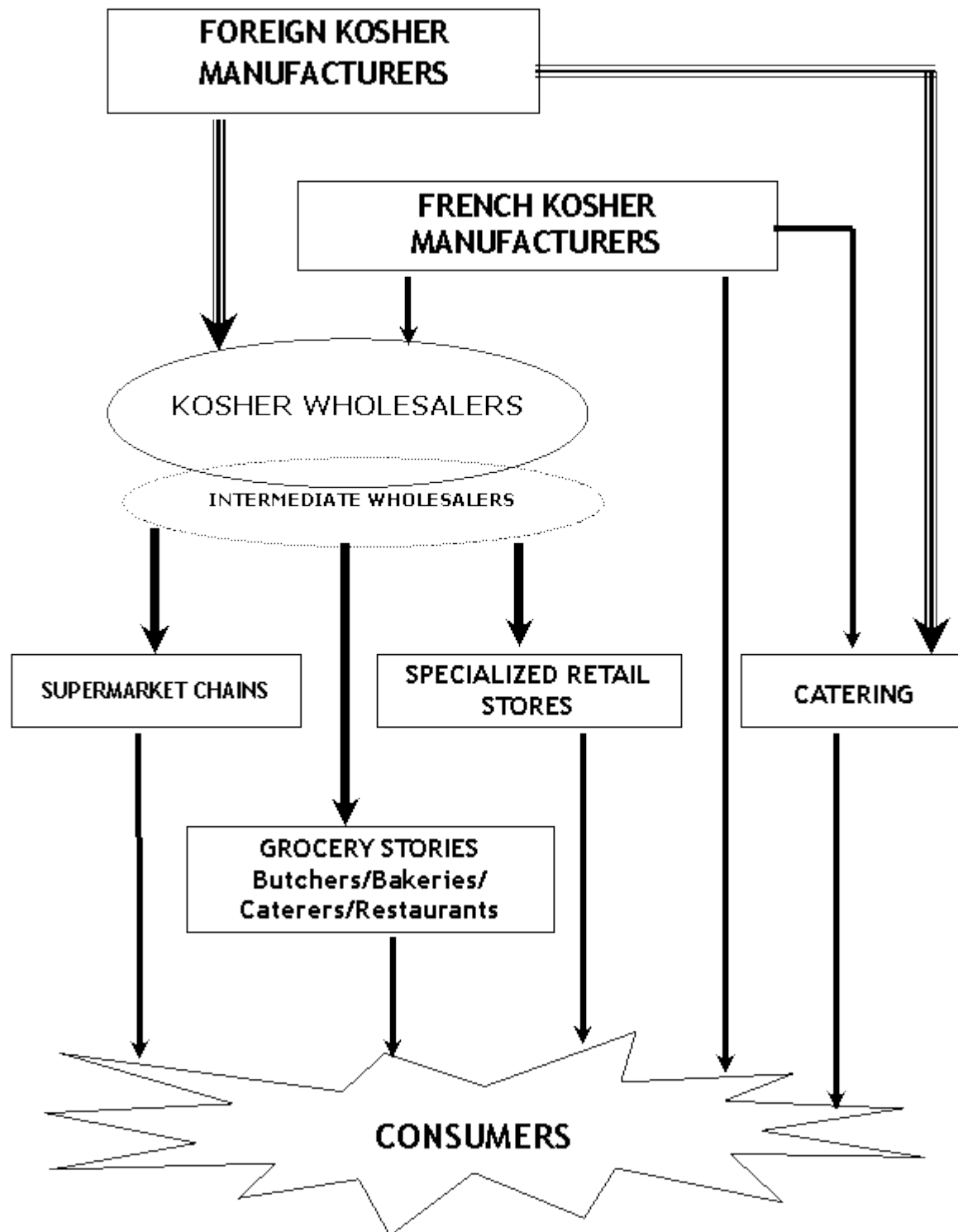
According to a recent study, several distributors, including Kineret (under the name of Cash-Cacher Naouri), Emeth, Eldaï, Yarden, Cepasco and Zouagui, handle approximately 90 percent of the available kosher products in the French market.

The majority of the wholesalers import about 50 percent of their products from Israel. In 2008, Israeli exports of food products were valued at \$46.9 million. Other products are manufactured in France or imported from other countries (including frozen meat from Argentina or Ireland).

U.S. suppliers who want to penetrate the French kosher market need to approach these wholesalers. FAS Paris maintains a list of the wholesalers, which is available to U.S. food and beverage suppliers upon request.

The major U.S. kosher brand certifications (OU, OK, Star-K, Kof-K) are recognized in France so U.S. kosher certification has a strong marketing advantage. Exporters of these brands have participated in important French trade shows and have opened branch offices in Europe. Over the last few years, a number of French suppliers and wholesalers have attempted to have their food products approved by a U.S. kosher certifier as part of an effort to export to the United States.

THE KOSHER DISTRIBUTION CHANNELS IN FRANCE



B. Market Summary

In term of sales, wholesalers account for 31 percent of the market, supermarket chains and retail stores for about 49 percent, and the food service sector for about 20 percent. According to a recent study, over the past ten years, 71 percent of French supermarket chains developed a kosher strategy that features the establishment of a dedicated in-store

kosher section and the introduction of new kosher-certified products. This strategy illustrates the dynamism and growing interest among mainstream retailers in kosher food marketing.

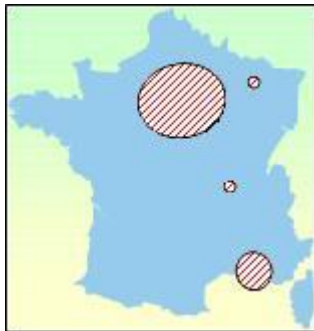
Leading French food companies are also considering the growing kosher market. Several, including Yoplait, Nestlé, Flodor, Andros, Epi, Daregal and Ancora-Maille, now offer a range of kosher food products. In addition, a number of French manufacturers have begun to modify the taste attributes of some kosher products to appeal to the mainstream market.

The distribution network for kosher products has expanded and kosher products are more widely available in France. Many retailers have added kosher products to their mainstream lines in order to offer a greater variety of products in their large format stores. Other marketing opportunities have emerged, as new hypermarket centers have opened in many areas of the country, including the western and southeastern regions of France and the Paris metropolitan area.

C. Company Profiles

The first retail kosher stores were small-specialized outlets in neighborhoods with large Jewish populations. Subsequently, kosher retail chains were opened in the Paris and Lyon areas as well as southeastern France. Cash Cacher Naouri now has 24 stores (mainly in the Paris area); its main competitor is Hypercacher with seven stores in the Paris area. Casher Price has five outlets in the Paris area and one in Lyon. Premier Club has 3 retail stores and Super Cash has several outlets in Paris, Toulouse and Nice. A specialized kosher butcher chain, Bucher Chain André Krief, has developed a new e-business concept, and delivers kosher products nationwide to meet the demand of communities lacking access to kosher outlets.

Localization of retail stores in France - 2008



Some of the large mainstream supermarkets have expanded and diversified their kosher product inventory (Carrefour, Auchan, Géant, Monoprix, Leclerc and Super U). While these chains only represent about ten percent of kosher food

retail sales, their share is growing. Despite the mainstream retailers' growing interest in kosher, supermarket buyers in France do not procure kosher food products at the large national wholesale food markets. The retail chains that are able to procure large volumes and varieties of kosher products work with a small network of kosher food wholesalers to supply their stores.

D. Sector Trends

In general, French retailers display kosher products in 3 ways:

- Kosher food products share shelf space with ethnic products. Some supermarket chains treat kosher foods like ethnic products, and they might display kosher products next to Asian or Italian food products. Some branches of Carrefour, Super U, and Casino feature this type of display. They offer a wide variety of products, including grocery products, beverages, fresh products and sometimes frozen products.
- Stock kosher food products with conventional products of the same category (grocery, catering-fresh products, etc.), although the kosher products may be designated and displayed on their own shelves. The chains featuring this type of display include Auchan and Leclerc.
- Other supermarkets, usually small store formats (such as Franprix), feature a limited display of kosher foods that could include some fresh products (e.g. tarama, humus and variety meats).

2. Food Ingredients

A. Entry Strategy

Kosher products and ingredients must meet the following requirements:

- All ingredients must be kosher-certified;
- Product manufacturing processes must conform to kashrus regulations.

The best way for U.S. kosher ingredient suppliers to target the French kosher food processing industry is either to work directly with the food processors or through wholesalers. In fact, kosher wholesalers in France who supply both the retail and foodservice sectors contact food processors directly per their needs to meet customer demand (regarding new products, etc.).

B. Market Summary

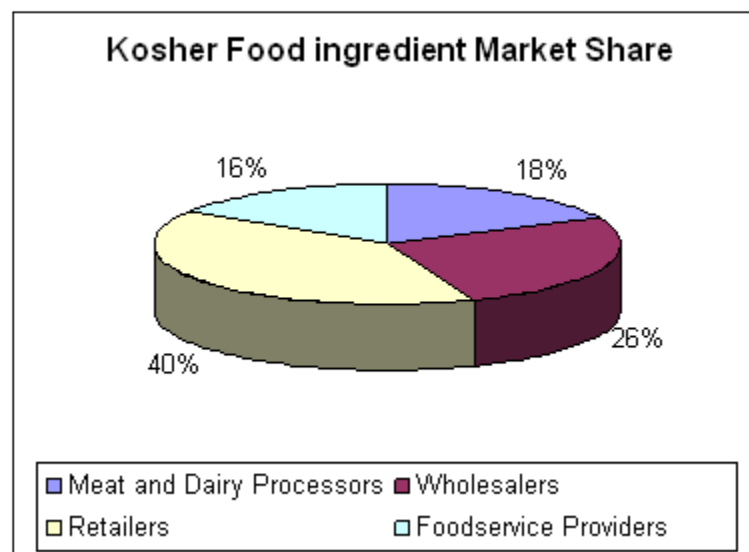
There are approximately 120 kosher manufacturers and processors in France processing meat and dairy products. No figures are available on the size and growth rate of the overall kosher foods/food-processing industry. Imported raw materials/ingredients represent about 34 percent of the total domestic supply; they are sourced mainly from other European countries, but also from Israel and the United States. The amount of raw materials/ingredients imported from the United States is unknown. However, surveys indicate that France needs a large and varied supply of imported food ingredients and intermediate products to meet the current strong demand and to accommodate future market expansion.

Opportunities exist for U.S. suppliers of additives, preservatives, flavorings, spices, condiments, sauces, citrus-related products and nuts. There are also opportunities for ingredient; used to manufacture a number of high value products, such as gourmet-style products, snacks, soups, sauces, condiments, confectionery, cookies and ready to eat meals.

C. Company Profiles

In France, there are between 500 and 600 companies exclusively handling kosher products, of which:

- 18 percent are meat and dairy processors, with annual sales estimated at \$62 million;
- 26 percent are wholesalers, distributors and seasonal manufacturers. 40 percent of these companies sell to supermarkets and 60 percent to specialized retail stores;
- 40 percent are retailers;
- 16 percent are hotel/restaurant and food service providers.



Sector Trends

The ten largest French kosher food manufacturers produce and distribute kosher foods throughout Europe. In general, locally manufactured kosher products are more price-competitive than imported kosher products. Producers of kosher foods are now launching new products on the market, such as biscuits, dairy foods, candies and even organic/health and specialty-ethnic foods (e.g: Middle-Eastern food, Asian food).

3. Food Service Products

In France, the food service sector is booming. Kosher catering in some large establishments in Paris comprise as much as 10-12 percent of the sector's overall business.

In the past fifteen years the number of kosher restaurants in France (mainly in Paris) has increased: There are now over 300 restaurants including 250 in the Paris area. The Grand Rabbinate of Paris receives about 30 applications for

certification annually. There are also 103 caterers, 84 bakeries and 93 butchers.

The estimated value of sales to the kosher hotel/restaurant/foodservice sector in France is approximately \$30 million.

Also, airline caterers, such as Servair, the number one airline caterer in France, have developed facilities to produce kosher meals. Since 2002, the company has expanded its offerings to include kosher vegetarian meals. The variety of kosher meals produced for airlines now meets a wide range of customer needs, from breakfast to cold and hot meals for all passenger categories (first-class, business and economy menus).

Sales to the Servip company represent about 20 percent of the kosher catering sector's sales. Servip, which was created in 1993, specializes in long shelf-life meals for international catering. The company supplies airlines, sea and rail companies, as well as hospitals. Servip's clients include large international companies that account for about 70 percent of the international airline market.

Servip buys food and ingredients in bulk from Israeli and French manufacturers and packages meals according to specific customer needs. Servip's product line includes 80 different kosher meals.

SECTION IV. PRODUCTION AND PROMOTION

A. Production

France is the leading European market for kosher foods due to the large number of kosher consumers and the size of its kosher food industry. The Jewish community in France is the largest on the continent and about 5,000 institutions buy kosher products. The ten leading French kosher suppliers manufacture and distribute their products throughout Europe. As noted previously, kosher products manufactured in France are usually less expensive than imported products.

Retailers, including supermarket chains (Auchan, Franprix, Carrefour and Leclerc) and specialized retail stores (Cash Cacher Naouri and Hypercashier) – carry both imported and local products.

There are over 200 kosher wines produced in France. The French-Jewish community consumes a significant amount of wine, not only for the Sabbath and holidays, but also at regular meals. In addition, wine is imported, mainly from Israel, with sales valued at \$2.1 million in 2008. However, some American kosher wines reached the French market, including Baron Herzog (California), and others from New York State. In 2006, French imports of U.S. kosher wine totaled \$800,000.

According to a recent study, the kosher wine market is about \$65 million in France. Wine stores, supermarkets and restaurants are the major distribution channels. Online sales, although marginal (3 to 4%), are growing rapidly, with an annual growth rate of 30%.

B. Promotion

Some French manufacturers/wholesalers of kosher food products are now focusing on the U.S. market and looking for new sales opportunities. In recent years, there has been an increase in the number of French products certified by the U.S. kosher certifiers (French wine in particular). Trade shows, such as Kosherfest and the Fancy Food Show, have

attracted an increasing number of French buyers as well as exhibitors. Due to the lack of data, it is difficult to measure French kosher exports to the United States.

SECTION V. PROMOTIONAL ACTIVITIES

French wine wholesalers Sieva and Royal Wine Europe often organize wine tastings to increase their sales in the kosher and non-kosher markets. Wines from France, Israel, the United States and other countries are displayed and tasted at these events.

Although, a number of U.S. products interest French wholesalers, there are several market constraints including:

- High freight costs
- Customs taxes
- EU regulations on color agents, GMOs, enriched flour, hormone treated beef, poultry treated with anti-microbial treatments (AMTs) and translation into French of nutritional information for labels

Please look at the FAIRS Report for more information: <http://www.fas.usda.gov/gainfiles/200812/146306794.pdf>

The flavors and packaging of some traditional Jewish foods manufactured in the United States, which are kosher, do not suit the tastes or meet the requirements of the French market.

FAS/Paris organizes French buyers missions to the Kosherfest show, held annually in the United States, since 2002.

SECTION VI. POST CONTACTS AND FURTHER INFORMATION

- **Trade Shows in France:**

International Food Show (SIAL)

Parc des Expositions – Paris-Nord Villepinte

October 17-21, 2010

Organizer: IMEX Management, Inc.

Tel: (704) 365 0041

Email: sial@imexmgt.com

Web: www.sial.fr

- **Kashrus Certification:**

Consistoire de Paris :

www.consistoire.org

Rabbinat de Loubavitch:

<http://www.loubavitch.fr/pages/intro.asp>

- For lists of Kosher food importers/distributors and wholesalers in France, please contact:

American Embassy

Office of Agricultural Affairs

2, avenue Gabriel – 75382 Paris, Cedex 08

Tel: (33-1) 43 12 2245

Fax: (33-1) 43 12 2662

Email: laurent.journo@usda.gov

Internet: www.usda-france.fr

For more information on exporting U.S. food products to France, visit our homepage. The Office of Agricultural Affairs homepage includes information on the hotel, restaurant and foodservice sector, and the retail food sector; as well as Food and Agricultural Import Regulations and Standards, product briefs on the market potential for U.S. products, and upcoming promotional trade shows and fairs in France.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page:

<http://www.fas.usda.gov>